

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Promote Policy
and Program Coordination and Integration in
Electric Utility Resource Planning.

Rulemaking 04-04-003
(Filed April 1, 2004)

ADMINISTRATIVE LAW JUDGE'S RULING RE: MOHAVE STUDY PLAN

Summary

On March 21, 2005, Southern California Edison Company (SCE) filed a Feasibility Final Study Plan for potential Mohave Generating Station (Mohave) alternative/complementary energy resources (Study Plan) as SCE was directed to do in Decision (D.) 04-12-016. This ruling gives additional guidance to SCE, and requests feedback from SCE and other parties on some unresolved issues.

Discussion

SCE's Study Plan discusses what SCE intends to have a contractor study, in the way of generator and efficiency options, if Mohave does not continue as a traditional coal-combustion facility. After reviewing the Study Plan, we make the following recommendations:

1. SCE discusses studying natural gas combustion, with dry cooling, but does not consider the possibility of associated carbon sequestration. While D.04-12-016 did not require SCE to include sequestration for gas, this ruling directs SCE to include this option in the Study Plan.
2. The proposal to study efficiency options to replace all or part of Mohave only appears to consider options outside of California. The Study Plan should not exclude the possibility of efficiency resources in California.

3. The filing discusses what happens in the event that the contractor discovers a “fatal flaw” in one of the options, saying only that the “contractor would promptly report that conclusion to all stakeholders.” Instead, once SCE learns from the contractor that there is a serious problem with one of the options, SCE is to alert the Assigned Commissioner and Administrative Law Judge, and the Commission will make the determination as to what constitutes a fatal flaw in one of the options.

We also request that SCE continue to update the Commission on a monthly basis, as directed in D.04-12-016, on any progress in the following areas: coal and water negotiations, the C-Aquifer studies, and shortening the Gantt Chart time-line. In addition, the Commission noted that the other three Mohave co-owners have “declined to participate in the funding of the study.” Essentially this means SCE customers are paying all of the costs to analyze an important component of whether the co-owned plant stays open. While we cannot order the other co-owners to contribute to this study, there should be some mechanism whereby the co-owners do reimburse the SCE ratepayers if the co-owners receive any benefit from the Study, and we would appreciate any input SCE, or any other party, could present.

In addition, we anticipate that the C-Aquifer Bureau of Reclamation study will conclude in mid-2005 and the Environmental Study by the Office of Surface Mining will be done in mid-2006. We would appreciate feedback from SCE, and any other party, as to how we could adjust the Federal studies to include the study options presented by SCE for the alternatives study, to avoid any unnecessary duplication of work in the future if one of the study alternatives proves desirable for California.

IT IS ORDERED that:

1. Southern California Edison Company (SCE) is to amend and augment the Final Study as set forth above.

2. SCE is to continue updating the service list on progress in the water and coal negotiations, the C-Aquifer studies, and shortening the Gantt Time Line.

3. SCE and any other party are requested to present the Commission with recommendations for recovering costs from the Mohave co-owners if they receive a benefit paid for by SCE ratepayers.

4. SCE and any other party are requested to present the Commission with recommendations for adjusting the Federal studies to include the study options presented by SCE for the alternatives study.

Dated April 21, 2005, at San Francisco, California.

/s/ CAROL A. BROWN

Carol A. Brown
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties for whom an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Re: Mohave Study Plan on all parties of record in this proceeding or their attorneys of record.

Dated April 21, 2005, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.